Approved For Release 2002/06/27 : CIA-RDP78-04718A001500270016-1

1 July 1955

MEMORANDUM FOR THE RECORD

SUBJECT : Executive Pay Bill.

REFERENCE: Memorandum for the Record dtd 30 Jun 55 by DD/S, same subject. DDS 55-1193

1. On 1 July 1955 I telephoned Mr. Lamar Baruch, Technical Advisor to the Civil Service Commission, to pursue my conversation of 30 June with him concerning the Executive Pay Bill. I told him that we had discussed the matter here and certainly did not want to complicate anything the Administration was trying to do, that we felt we might do just that if we insisted on several of our senior people being added to those already included in the Executive Pay Act, and that we believed the passage of a package deal for the Central Intelligence Agency during this session of Congress would be extremely remote. Accordingly, I added, we had decided to go along with the proposed Bill as he had outlined it to us but felt very strongly that the positions of Director and Deputy Director here in CIA, which were already included in the Executive Pay Act, had increased tremendously in responsibility since their present salary levels were established; consequently, we thought that there should be a substantial upward revision in salaries for these two positions in order to place them on a level with the Deputy Secretary of Defense and Under Secretaries, respectively. Mr. Baruch said he knew that similar situations had already been discussed with Mr. Young and that it was his understanding that Mr. Young would oppose such action strongly....not because the suggestion did not have merit, but because one could not consider these two positions without considering others....inasmuch as it would lead to complications which would make it impossible to get the Bill through during this session of Congress.

2. Mr. Baruch also explained to me that in this same package deal they were attempting to raise the salary level of grade GS-18's and to create a new grade at GS-19. Under the present proposal, all $14,800 salaries that are in the Executive Pay Act and which remain in that Act would automatically be adjusted to $15,000, the minimum salary for grade GS-18 would be raised to $16,000, and provision would be made for four within-grade raises of $300 each for a top GS-18 salary, or, $17,200. Whether individuals already in grade GS-18 would get credit toward within-

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grade promotions for the time they had already served in that grade is not known as yet. The new grade GS-19, which would undoubtedly be limited by Congress to, say, something like seventy-five positions, would provide for a salary of $18,000. It was Mr. Barush's opinion that if this Bill went through the Director could, under his own administrative authority, establish a limited number of grade GS-19's within CIA. (This would take care of the Deputy Director level.)

3. An interesting sidelight of this discussion was the situation at the Federal Bureau of Investigation. Initially, the salaries of the Directors of the FBI and CIA were established at $16,000. This remains, except that Mr. Hoover, as an individual, gets $20,000 as long as he is in office. The salary of the Associate Director of the FBI, Mr. Tolson, was, however, adjusted to $17,500 about two or three years ago. Hence, we have the ridiculous situation of the salary of the Associate Director of the FBI being fixed by statute at $17,500, whereas the Director's is fixed by statute at $16,000.

4. I advised Mr. Kirkpatrick of this information and we agreed that under the circumstances it seemed inadvisable to try to put through our own legislation or to make a fight about raising the salaries of the Director and Deputy Director above the levels proposed at this time. I discussed this briefly with Mr. Dulles and he also agreed.

/s/

L. K. WHITE
Deputy Director
(Support)

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